

Oral Questions

Why did the Prime Minister stand by and allow so much damage? Is he prepared to demand a more balanced approach?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I find the comments coming from my hon. friend rather interesting. She says that the government dictates the monetary policy of the Bank of Canada when she knows full well that does not happen.

The Bank of Canada runs the affairs of the country through financial matters and the market dictates levels of interest rates. We agree with the Bank of Canada in getting interest rates and inflation down. They did that.

Governor Crow and the deputy minister of finance are having an interesting debate right now. I guess hindsight is 20/20. Anybody can go back and say they should have done this or they should have done that. That is an honest discussion on what has gone on in the past. However we believe and the governor believes the actions he took were the right ones.

I think we are finding that the results were right. The reports coming out of the OECD today indicate that we are poised for the best job creation, the best growth over the next two years, the lowest inflation and the lowest interest rates, all good signs for the economy. One of these days the Liberals are going to wake up and say that was the right thing to do.

[*Translation*]

Mrs. Diane Marleau (Sudbury): Madam Speaker, my supplementary is directed to the same minister. Does the minister share the opinion of the deputy minister of finance that our monetary policy was too rigid and lasted too long? If so, will he ask for a more flexible monetary policy, because then it is easier to make changes once the results are in? Yes, or no?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I think the hon. member is interpreting the words of the deputy minister rather loosely, if I can put it that way.

What has gone on in the past was a decision that we had to get inflation under control and that we had to get interest rates down in order for us to get through the

recession and come out the other end on top. That is exactly what is happening.

We can question till the cows come home whether the move should have been done a month earlier or a month later, whether we should have stayed on a month longer or a month less. We can question that and the economists will have a field day with that over the next number of years. They will discuss it in economics classes throughout Canada and probably the world.

The fact is that we are coming out of the recession in the best shape of any country in the G-7.

Some hon. members: Oh, oh.

Mr. McDermid: We are going to have the best job creation of all the countries of the OECD and we are going to have the best growth over the next couple of years. That is what is important to Canadians. One of these days the Liberals will wake up and realize that.

* * *

KEMANO PROJECT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, my question is for the Minister of Justice.

After a year's deliberation the Standing Joint Committee on the Scrutiny of Regulations has ruled in a report tabled in the House this morning that cabinet acted illegally in exempting the controversial Kemano water diversion project from an environmental review.

This is part of a growing mountain of evidence that the government has acted improperly in this case. It is a growing scandal of monumental proportions.

Will the minister accept this report and finally admit that their actions or lack thereof are threatening the future of the Nechako River in northern B.C.?

Hon. Pauline Browes (Minister of State (Employment and Immigration)): Madam Speaker, I wish to thank the committee members for the report tabled in the House today.

I understand the opinion expressed in that report differs from that administered by the Federal Court of Appeal which concluded the Kemano completion project guidelines were valid. We also understand this case went to the Supreme Court but it was not reviewed as the request to be heard was denied.